

Message Text

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43

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SUBJ: PREMIER BIJEDIC ASSESSES INTERNAL DEVELOPMENTS

REF : BELGRADE 2409

1. SUMMARY. FOLLOWING ELECTION OF NEW FEC (SEE REFTEL, PREMIER BIJEDIC ADDRESSED FEDERAL ASSEMBLY, FOCUSING MAINLY ON INTERNAL ECONOMIC AFFAIRS. PREMIER STATED THAT NEW CONSTITUTION AND CONVENING OF 10 TH PARTY CONGRESS REPRESENT "EXCEPTIONALLY IMPORTANT" MOMENT IN SHAPING FUTURE DEVELOPMENT OF YUGOSLAVIA. SPEECH CONSTITUTED A BALANCED PRESENTATION OF YUGOSLAVIAS SOCIAL AND ECONOMIC ACHIEVEMENTS IN RECENT YEARS AND PROBLEMS WHICH MUST BE SURMOUNTED TO ACHIEVE FUTURE STABILITY AND DEVELOPMENT. ALTHOUGH NO SPECIFIC NEW POLICY INITIATIVES WERE ANNOUNCED, BIJEDIC SET STAGE FOR PRIORITY TASKS IN YUGOSLAVIA'S ECONOMIC AND SOCIAL DEVELOPMENT THROUGH 1985. IN INTERNATIONAL RELATIONS, YUGOSLAVIA WILL ADHERE STRICTLY TO NON-ALIGNMENT. END SUMMARY.

2. BIJEDIC STATED THAT VERY GOOD BASIS HAS BEEN LAID FOR BUILDING SYSTEM BASED ON "UNITED SELF MANAGEMENT RELATIONS". HE CITED FOLLOWING ACHIEVEMENTS IN PAST THREE YEARS: (A) ILLIQUIDITY AND DISHARMONY BETWEEN PRODUCTION AND CONSUMPTION HAS BEEN LARGELY OVERCOME (B) PROCESS OF "WITHERING AWAY OF STATE-
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PROPERTY RELATIONS IN PRODUCTION" HAS BEEN STEPPED UP, WHILE

"SELF-MANAGEMENT SOCIALIZATION" OF PRODUCTION IS WELL UNDERWAY
(C) IMPROVED FOREIGN ACCOUNTS SITUATION - BALANCE OF PAYMENTS
AND FOREIGN EXCHANGE RESERVES (D) INCREASE FOREIGN TRADE.

3. BIJEDIC PLEDGED THAT FEC WILL ASSERT ACTIVE LEADERSHIP IN
TACKLING PERSISTENT PROBLEMS, AND REALIZING NEEDED DEVELOPMENT

PLANS: (A) INFLATION: HE ACKNOWLEDGED THAT PREVIOUS PROGRAMS
HAVE NOT SUCCEEDED IN OVERCOMING "DRIVING FORCES OF INFLATION AT
HOME." HE CITED LARGE VOLUME OF IMPORTS IN PRIMARY PRODUCTS
AND MANUFACTURES, TOGETHER WITH RUNAWAY WORLD WIDE PRICES FOR
RAW MATERIALS FUEL AND FOOD AS UNDERLYING CAUSES. HE WARNED
THAT THESE TRENDS COULD RETARD YUGOSLAV LIVING STANDARDS. HE CAME UP
WITH NO NEW SOLUTION, BUT REAFFIRMED GOY PROGRAM OF FIGHTING
INFOLATION THROUGH INCREASED PRODUCTION AND LABOR PRODUCTIVITY,
AND CURTAILMENT OF OPERATIONAL COSTS. (B) DEVELOPMENT
PROGRAM WILL STRESS AGRICULTURE AND "UNIQUE ENERGY SYSTEM."
PRIORITY ACTIVITIES WILL BE DEVELOPED ON BASIS OF SOCIAL ACCORDS.
PLAN FOR LONG-TERM DEVELOPMENT THROUGH 1985 HAS NOW BEEN OPENED
TO "PUBLIC DISCUSSION." (C) TRADE DEFICIT. BIJEDIC WARNED THAT
"THREAT IS HANGING AGAIN OVER BALANCE OF PAYMENTS", AND THAT
FURTHER INCREASES IN TRADE DEFICIT MUST BE AVOIDED. (D) FEC
TO UNDERTAKE ALL-OUT EFFORTS TO PUT NEW CONSTITUTION INTO PRACTICE,
PARTICULARLY IN CREATING CONDITIONS FOR BASIC ORGANIZATIONS OF
ASSOCIATED LABOR (OOURS) TO TAKE OVER THEIR RESPONSIBILITIES
IN FIELDS OF PRICING, CREDITS, FOREIGN TRADE AND SOCIAL REPRODUCTION.
FEC WISHES TO "KEEP CLEAR OF ANY INTRUDING ADMINISTRATIVE
MEDDLING" IN ECONOMIC AFFAIRS.

4. IN BRIEF REVIEW OF FOREIGN POLICY GOALS, BIJEDIC EMPHASIZED
STRICT ADHERENCE TO NON-ALIGNMENT AND PLEDGED YUGOSLAV EFFORTS
TO OVERCOME "DIVISIONS" IN THE WORLD AND TO PROMOTE PEACEFUL
SETTLEMENT OF WORLD'S PROBLEMS. YUGOSLAVIA WILL ALSO WORK FOR
REALIZATION OF DECLARATION AND ACTION PROGRAM ADOPTED AT UNGA.
RELATIONS WITH US AND OTHER INDIVIDUAL COUNTRIES NOT MENTIONED.

5. COMMENT: BIJEDIC SPEECH NOT SPECTACULAR IN TERMS OF NEW
PROGRAMS OR POLICIES. HE WAS RESTRAINED IN DESCRIBING YUGOSLAV
ACHIEVEMENTS, AND REALISTIC IN ASSESSING ECONOMIC AND SOCIAL
PROBLEMS WHICH MUST BE SURMOUNTED. THERE IS RECOGNITION THAT
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INFLATION LOOMS AS YUGOSLAVIA'S MOST SERIOUS ECONOMIC PROBLEM,
WHICH MUST BE EASED BEFORE GOALS OF STABLIZATION, DEVELOPMENT
AND IMPROVED LIVING CONDITIONS CAN BE REALIZED. SPEECH OF COURSE
REFLECTS TOTAL DEDICATION TO CONCEPT OF SELF-MANAGEMENT, BUT
POINTS UP NEED FOR NONTINUED ROLE OF FEC IN SHAPING ECONOMIC
POLICIES.
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